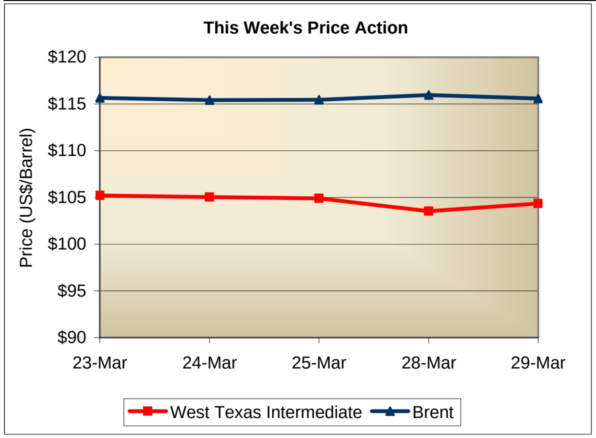
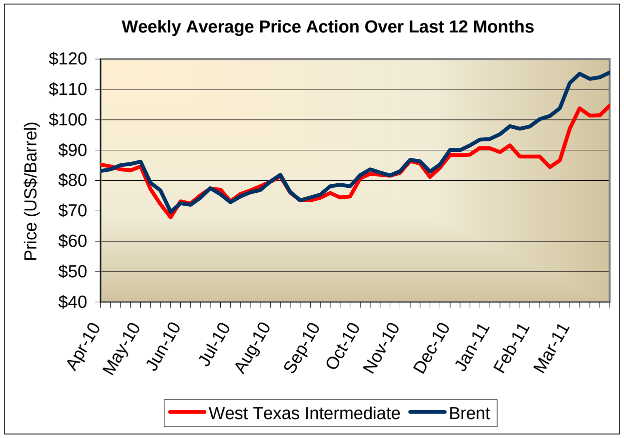
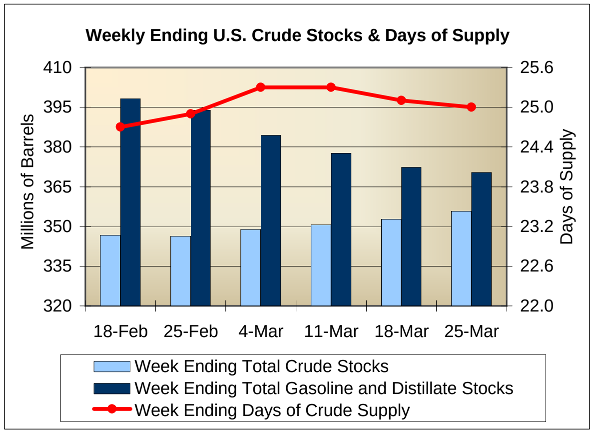
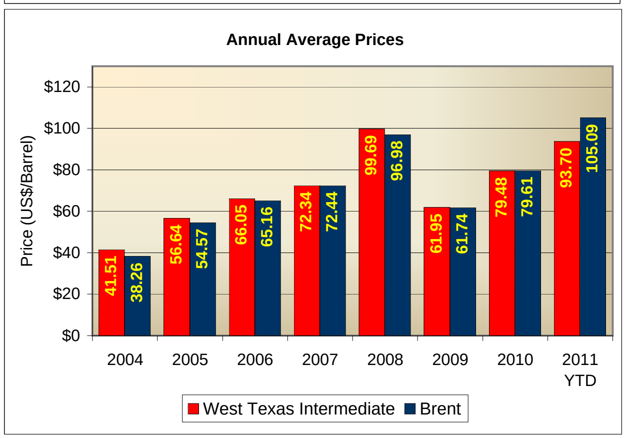
Crude Price Report - For the Period March 23, 2011 to March 29, 2011

Benchmark Crudes (US$/bbl)	March 16-March 22 Average	Current Period					March 23-March 29 Average	March Month-to-Date	2011 Year-to-Date
		23-Mar	*24-Mar*	*25-Mar*	*28-Mar*	*29-Mar*			
West Texas Intermediate	**$101.48**	*105.21*	*105.04*	*104.89*	*103.54*	*104.34*	**$104.60**	**$102.65**	**$93.70**
Brent	**$113.96**	*115.65*	*115.41*	*115.45*	*115.95*	*115.58*	**$115.61**	**$114.50**	**$105.09**









COMMENTARY:

► For the March 23 - March 29 period, the average price of West Texas Intermediate was up by $3.12 week-over-week, at $104.60/bbl. The average price of Brent was up by $1.65 week-over-week, at $115.61/bbl.

► WTI began the period at $105.21/bbl and ended slightly lower at $104.34/bbl on March 29. Brent began the period at $115.65/bbl and ended slightly lower at $115.58/bbl on March 29.

► The average crude price for 2011 year-to-date for WTI increased from the previous period up $0.99 to $93.70/bbl. Brent increased from the previous period up $0.95 to $105.09/bbl.

► U.S. crude oil stocks increased by 2.945 million bbls this period. The days of crude supply decreased by 0.1 days to 25.0 days from 25.1 days in the previous period. U.S. gasoline and distillate stocks decreased by 1.974 million bbls.

► On March 27, 2011, the Globe and Mail reported that the European Union (EU) is moving forward with its plan to discourage the use of unconventional fuel sources, a move that would increase political pressure on Europe's major oil companies to curb their investments in the Alberta projects. European-based companies such as Royal Dutch Shell, have faced unsuccessful shareholder resolutions urging them to reduce their investment in the oil sands. In conjunction with the oil industry, Ottawa has pursued an aggressive strategy in the U.S. and Europe to defend the oil sands and attract investment to boost production. The report indicated that Canada does not export oil to Europe, however, the government and industry fear the EU's labeling of the oil sands as an undesirable fuel source would provide momentum to similar efforts in U.S. states. California is currently the only state to have passed such a regulation, though several other states are considering doing so. EU Environment Commissioner Connie Hedegaard told parliamentarians last week that she will submit to member states for ratification, draft regulations that target oil sands and shale oil as high-carbon fuels. The dispute between Ottawa and the EU has the potential to become a trade dispute, although, Ms. Hedegaard did not expect that the fuel regulations would impede the conclusion of a Canada-EU trade agreement that is now under negotiation.

► On March 29, 2011, the Washington Post reported that the Interior Department issued a report on March 29 stating that more than two-thirds of offshore leases in the Gulf of Mexico and more than half of onshore leases on federal lands sit idle. The report is in part, a counterattack on the oil industry, which together with GOP lawmakers, criticized the Department for delays in issuing new offshore permits and revives an issue of a "use it or lose it" measure that would try to compel companies to drill. The Interior Department's report says more than 70% of offshore acres currently leased to oil companies are inactive. Oil companies say many leases require lengthy planning and preparation before firms invest and the government does not count those preparations in its definition of active. The companies also note that under current lease agreements with the federal government, any company that fails to drill on an offshore lease in deep water within 10 years and 5-7 years in shallower waters must return the tract to the government (effectively a "use it or lose it" clause). The Interior Department's Bureau of Ocean Energy Management, Regulation and Enforcement have recommended shortening leases in 800 to 1,600 feet of water from 10 years to seven.

Sources/Notes:

1. West Texas Intermediate and Brent Crude prices are spot prices as reported weekly by the Energy Information Administration (EIA) of the Department of Energy (DOE) in the United States.
2. Inventory stocks are reported weekly by the EIA and include all inventories held with "primary" enterprises such as refiners and wholesalers of crude. Secondary and tertiary inventories held by retailers or end users are not included. Crude stocks include all unrefined crude; gasoline stocks include all grades of gasoline; and distillate stocks include all grades of distillates (including home heating fuel and diesel fuel).
3. Annual and monthly average prices for spot WTI and Brent crude from 2004 to 2011 are simple averages calculated from daily prices as reported by EIA.

Government of Newfoundland and Labrador
Department of Natural Resources
Energy Branch
Energy Economics Division

Newfoundland Labrador